

MINISTRY OF HOUSING AND LOCAL GOVERNMENT

Town and Country Planning Acts 1947 & 1954

Explanatory Memorandum
on the Revised System of
Exchequer Grants
to Local Authorities

under the Town and Country Planning
Acts 1947 & 1954



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NINEPENCE NET

Explanatory Memorandum on the Revised System of Exchequer Grants to Local Authorities under the Town and Country Planning Acts 1947 & 1954

1. Regulations under Section 93 of the Town and Country Planning Act, 1947 as re-enacted in Section 50 of the Town and Country Planning Act, 1954 provide a revised system of planning grants to local authorities. This revised system has effect from 1st April, 1955, save for the transitional provisions under which grant will continue to be paid at old rates. The revised scheme provides for grants to local authorities under four heads—

- (a) grants in respect of the acquisition, clearing and preliminary development of land acquired for redevelopment—hereinafter referred to more briefly as redevelopment grants;
- (b) grants in respect of compensation, etc. payable under Part III or Part VIII of the Town and Country Planning Act, 1947 (referred to hereafter as the Act);
- (c) grants in respect of the acquisition and restoration of buildings of special architectural or historic interest;
- (d) grants in respect of land acquired under any enactment for use as public open space.

(2) Separate sections of this Memorandum deal with these four heads of grants. Later sections deal with features which are common to two or more of them and also with transitional arrangements.

(3) Local authorities, for the purposes of this Memorandum, include local planning authorities, the councils of counties, county boroughs, county districts and metropolitan boroughs, the London County Council and the Common Council of the City of London; and, in the case of the acquisition of land for use as public open space, parish councils.

Redevelopment Grants

SCOPE

2.—(1) Redevelopment grants will be payable in respect of expenditure incurred in the acquisition or appropriation, clearing and preliminary development of approved land of the following descriptions—

- (a) land acquired under Part I of the Town and Country Planning Act, 1944 or under Sections 38 or 40 of the Act for the purposes of the development or redevelopment of areas of extensive war damage, bad layout or obsolete development or for other planning purposes including the bringing back into use of derelict land;
- (b) land appropriated for any purpose for which land may be acquired under the above Sections;
- (c) land acquired pursuant to Section 19 of the Act.

(2) In the case of a large area requiring to be developed or redeveloped as a whole, e.g. because of extensive war damage, the area should be dealt with in a succession of grant units the size and boundaries of which should

be determined with reference to the manner and stages by which the physical operations involved will be carried out, e.g. so that road and sewer works to be done as a single contract are included in one grant unit rather than apportioned artificially between two or more units. An area that can be redeveloped in a period of about ten years may be a convenient size; but small self-contained areas may be dealt with as separate units irrespective of the period required for redevelopment. There may be separate units for the relocation of population or industry, etc. Approval for grant purposes will be required for each such grant unit, and before approval is given the Minister will require the submission of a plan showing the redevelopment proposals together with estimates of the cost of the acquisition, clearing and preliminary development of the land, the value of any land to be appropriated, and the value of the land for the proposed new development. Estimates of this kind are of course essential to a local authority before it commits itself to such an undertaking. These estimates should be submitted not later than the first compulsory purchase order for any part of the grant unit, on the forms in Appendix A, copies of which will be supplied by the Ministry on request. The approval for grant purposes may be given subject to conditions, e.g. as to the period within which the redevelopment is to be carried out, the inclusion of contiguous or adjacent land for recoupment purposes and as to the new uses and disposal of the land. If at any time it appears for whatever reason that the financial out-turn of the grant unit will be substantially different from the estimates, the Minister should be notified forthwith and revised estimates furnished as early as practicable; or the Minister may require revised estimates at any time if he thinks it necessary. Compulsory purchase orders should be submitted as required for the acquisition of the land in the grant unit; several orders may be necessary to comprise the total area. A compulsory purchase order should be accompanied by a District Valuer's report of the cost of acquisition of the land but estimates of the out-turn of the compulsory purchase order area will not be required.

(3) Similarly where a local authority proposes to acquire land for other planning purposes, e.g. the site of a non-conforming industry or derelict land acquired for redevelopment or bringing back into use, full estimates of the cost and return should be submitted, with the necessary plans, at the same time as the relative compulsory purchase order or application for consent to acquire by agreement.

(4) Where land is acquired pursuant to Section 19 of the Act as a result of action taken primarily to safeguard the land for purposes other than those specified in paragraphs 2 (1) (a), 11 or 14 of this Memorandum, the land should ordinarily be appropriated forthwith at the cost of acquisition to the service concerned and planning grant will not be payable under these provisions. The cost may of course rank for grant in the service concerned. If, however, the Minister is satisfied that immediate appropriation is not possible he may approve the payment of planning grant until it is made. Confirmation of the purchase notice may be taken as approval for grant subject to the provisions of this sub-paragraph and, for the purposes of claiming grant, Section 19 acquisitions not in approved grant units should be aggregated and treated as constituting a special unit. The expenditure should be transferred to an ordinary grant unit as soon as one is approved which includes the Section 19 land.

3. Where an area which is to be redeveloped under the powers of the Act consists of or includes land already held by the authority for other purposes, that land may be appropriated in accordance with the normal rules. For the purposes of grant the appropriation will normally be treated as an acquisition of the land at a date and value determined as below.

The appropriation should take place only when the authority is ready to undertake clearing or preliminary development affecting the land and the value of the land for the appropriation should be treated as expenditure incurred on the date of the appropriation, or the date on which clearing or preliminary development is begun if that is earlier.

The value for appropriation will be determined under the standard rules, viz. normally on the basis of existing or prevailing use, as in the Ministry's Circular No. 34/55 on Land Transactions, subject to the qualification that where the land to be appropriated is in an area in which comprehensive development has already been begun, there should be excluded from the value determined under the normal rules any increase or decrease in value attributable to the comprehensive development already carried out or proposed.

CALCULATION OF GRANT

4.—(1) Grant will be payable annually for not more than 60 years and the grant for each financial year will be 50 per cent of the notional annual loan charges referable to the expenditure met from loan on the acquisition, clearing and preliminary development of the land (including the value of any of the land appropriated for the purposes of the redevelopment) up to the 31st March of the year for which the grant is payable and of any such expenditure met from revenue during the financial year, less the sum of the annual equivalent of the total value up to 31st March of the land appropriated or developed by the local authority or disposed of for private development and the amount of any net rents or other income receivable in the financial year in respect of the land not so appropriated, developed or disposed of. Where capital expenditure is met directly from revenue, the Minister may require that for grant purposes it should be treated as if it had been met from loan; he will not normally so require in the case of items of expenditure not exceeding £1,000 each.

(2) For the purpose of the calculation, and irrespective of the manner in which the local authority have provided or intend to provide the money to meet the expenditure—

(a) the notional annual loan charges will be calculated on the annuity basis at the rate of interest applicable in the case of Public Works Loan Board loans repayable over a period of 60 years;

(b) the annual equivalent of the value of land appropriated or disposed of for use will similarly be calculated on the annuity basis for a 60 year loan at the rate of interest applicable in the case of loans from the Public Works Loan Board.

(3) Where there have been changes in the rate of interest chargeable in respect of loans from the Public Works Loan Board, the notional annual loan charges and the annual equivalent will be calculated by reference to the expenditure incurred or the value of land appropriated, developed or disposed of, and at the rates applicable, during the periods when the different rates were in force.

(4) A profit on one grant unit will be applied to reduce the losses on others in the same financial year.

EXPENDITURE RANKING FOR GRANT

5.—(1) The expenditure which may be included in the cost of the acquisition, clearing and preliminary development of land is set out in Appendices B, C and D respectively. Where it is convenient, works of clearance or preliminary development may be undertaken with other works provided the expenditure under those heads is separately ascertainable for grant purposes.

(2) Where land acquired is the subject of a cost of works payment under the War Damage Act, 1943, the grant account should be charged with the total cost of acquisition when payment is made and credited with the converted value payment, including interest, on receipt thereof.

VALUE OF LAND APPROPRIATED OR DISPOSED OF, ETC.

6.—(1) Land appropriated, developed or disposed of will be valued on the bases set out in Appendix E and the dates from which those values will be taken into account will be—

- (a) in the case of land appropriated, from the date of appropriation or the date on which development is begun if that is earlier;
- (b) in the case of land, other than in (a), developed by the local authority, from the date of completion of the development;
- (c) in the case of land sold, when the sale price is received;
- (d) in the case of land disposed of on lease, other than land let for temporary use pending clearance and redevelopment, from the date when the normal full rent is payable under the lease provided this is within a reasonable period of the date of the lease.

(2) Net rent and other income receivable for land in respect of the period prior to the date of credit for appropriation, development or disposal should include any rent or other income receivable in respect of land which is let for temporary use, whether involving temporary buildings or not, and land, including buildings, acquired subject to existing tenancies which are continued or renewed pending the land being cleared to make way for redevelopment. Net rent means the gross rent less reasonable expenditure on repairs, insurance and management.

7. Proper accounts and a record of the area acquired, appropriated and disposed of should be maintained for each approved grant unit for the purpose of preparing grant claims and ensuring that all the land is accounted for in the grant claims.

8. A general note on the services of the Valuation Office is contained in paragraph 18 and grant claims are dealt with in paragraph 19.

Compensation under Part III or Part VIII of the Act

9. Grant will be payable in cases approved for the purposes of the Grants Regulations towards expenditure incurred in the payment of compensation under any provision in Part III or Part VIII of the Act, including compensation payable under the provisions of the Fifth Schedule to the Act, and expenditure incurred by local authorities and not recoverable from the owner or occupier of the land in taking action under Section 24, or that Section as applied by other provisions or regulations under Part III or Part VIII,

and Sections 25 and 26 of the Act. The expenditure that may be included in the cost of compensation is set out in Appendix F. The Requisitioned Land and War Works Acts, 1945 and 1948, are expected to be adequate provision for the removal of government war works in appropriate cases, and grant will not be payable under the provisions of this scheme in respect of compensation incurred under Section 75 of the Act.

10. Application for approval for grant purposes should not be made until it is clear that expenditure will in fact be incurred.

Buildings of Special Architectural or Historic Interest

11. Grant will be payable towards expenditure on acquiring under Section 41 of the Act and restoring, repairing and adapting buildings which are the subject of a building preservation order, or in respect of which a preservation order could be made, by virtue of Section 29 (1) of the Act, and which have been approved for the purposes of the Grants Regulations. Grant will also be payable under this head in respect of restoring, repairing and adapting such a building acquired as part of a redevelopment area under Sections 38 or 40 or by virtue of a purchase notice under Section 19 including that Section as applied by a building preservation order.

The expenditure which will be eligible for grant will be the cost of acquisition and, where the building is not in a reasonable state of preservation at the time of acquisition, expenditure on approved works for the initial restoration, etc. of the building to such a state. Where, after restoration, the building is to be let or used for local authority purposes its value for those purposes, which will be assessed in accordance with Appendix E and will have regard to the obligation to preserve, will be taken into account in the assessment of grant. The liability for subsequent maintenance will reduce the value for the new use. If in rare cases there is no use, the estimated capital liability for subsequent maintenance will be allowed as an additional sum ranking for grant.

Where the acquisition necessarily includes contiguous or adjacent land the expenditure on the acquisition and clearing of that land may also be included in the expenditure eligible for grant.

12. Estimates of the cost of acquisition and the works proposed to be carried out, with a report on the state of the building and proposals for its future, should be submitted with the acquisition proposals. Approval for grant purposes may be given subject to conditions as to its future maintenance and use. Approval for grant under these provisions will not normally be given in cases in which grant is payable under the Historic Buildings and Ancient Monuments Act, 1953.

RATE AND CALCULATION OF GRANTS

13. The grants referred to in paragraphs 9 and 11 will be payable annually for 60 years at the rate of 50 per cent calculated in the manner described in paragraph 4 as far as it is applicable.

Public Open Space

14. Grant will be payable towards expenditure incurred in the acquisition, clearing and preliminary development of land under any enactment for use as public open space provided no other grant is payable from the Exchequer in respect thereof. The approval of the Minister for grant purposes should be obtained before the acquisition is made. Where land held for other

purposes, including land acquired for comprehensive redevelopment, is appropriated for public open space purposes, it will be treated for grant purposes as an acquisition at the value at which the appropriation is made.

Cases may arise where land is acquired with a view to eventual use for public open space after its level has been raised by the tipping of refuse or waste material on the whole or part of the land. Such cases will be considered for grant according to the circumstances, details of which should be submitted.

In the case of an acquisition for public open space in order to replace public open space which is to be used for development, the value of the latter may be taken into account, if this is not already being done under the scheme for Redevelopment Grants, in deciding whether the acquisition should be approved for grant and the expenditure on which grant will be payable.

15. Approval for the purposes of grant will be considered on application stating the estimated cost of acquisition, clearing and preliminary development. Where the acquisition requires the consent of the Minister the estimates should be submitted with the acquisition proposals. Expenditure on the layout of public open spaces, the provision and planting of trees, etc. will not be eligible for grant.

RATE AND CALCULATION OF GRANT FOR PUBLIC OPEN SPACE

16.—(1) Grant will be payable at the rate of 50 per cent or such higher rate not exceeding 75 per cent as may be approved by the Minister having regard to the expenditure and the financial circumstances of the authority. The higher rate tests which are set out below may be modified if experience requires, either generally or in any particular case.

(2) All public open space expenditure eligible for grant in a financial year will be aggregated. The factors used in assessing the higher grant will be those of that year and a rate of grant once determined for any year's expenditure will not be varied because of subsequent change of conditions. The factors will be the amount of the rates levied by the acquiring authority in the year of expenditure and the rate poundage equivalent of the notional annual loan charges referable to the expenditure in the year, assuming that loans were raised for 60 years at the then current rate charged by the Public Works Loan Board. For a county council the rate poundage will be the average rate poundage of all county districts in the county; and for a parish council, the rate for the county district in which it is situated.

(3) On the above basis, the expenditure in a year will not warrant a grant higher than 50 per cent unless the loan charges thereon amount to the product of one tenth of a penny rate or more. Where this condition is satisfied, the higher rate will be determined as follows:—

Where the rate in the pound is:—	The percentage rate of grant will be:—
more than 2s. above the average rate for England and Wales ...	70
up to 2s. above the average ...	60
not more than the average ...	50

Plus, where the loan charges exceed the equivalent of $\frac{1}{2}d.$ rate, an additional 5 per cent. for each $\frac{1}{2}d.$ or fraction thereof above the first, up to a maximum of 75 per cent. in all.

(4) The expenditure that will qualify for the higher rates of grant will be:—

(a) In the case of land appropriated for public open space purposes from an area acquired under planning powers for redevelopment, the proportion

by area of the total expenditure on acquisition, clearing and preliminary development of the redevelopment area, and the expenditure will be treated as incurred on the date of appropriation except in the case of a redevelopment area for which grant is payable at the rate of 90 per cent when it will be treated as incurred on the date of appropriation or the end of the 90 per cent period whichever is the later. In any case the public open space grant will terminate 60 years from the date of appropriation. Until the proportion of the total expenditure attributable to the public open space has been finally ascertained, the grant will be provisionally calculated by reference to the estimated expenditure attributable to the public open space, subject to adjustment when the final expenditure is known.

(b) In the case of land acquired specifically for public open space or appropriated for that purpose otherwise than as in (a), the expenditure actually incurred on acquisition, or the value of the land appropriated, plus clearing and preliminary development.

(5) The amount of the expenditure eligible for public open space grant will be reduced by any net surplus in redevelopment grant cases.

(6) Grant:—

(a) in the case of expenditure met from loan, will be the appropriate percentage of the notional annual loan charges referable to that expenditure and will be payable annually for 60 years (calculated as in paragraph 4 (2) (a));

(b) in the case of expenditure met from revenue, will be the appropriate percentage of that expenditure.

Where capital expenditure is met directly from revenue, the Minister may require that for grant purposes it should be treated as if it had been met from loan; he will not normally so require in the case of items not exceeding £1,000 each.

General

17.—(1) Contributions, e.g. under Section 98 of the Act, made by another local authority towards expenditure eligible for grant under these arrangements incurred by the recipient authority will not attract grant and will be disregarded in calculating the grant payable to the recipient authority. Contributions by other bodies or persons, including contributions by the Minister under Part IV of the 1954 Act, will be deducted from expenditure before assessing grant.

(2) Administrative expenses directly attributable to acquisition, clearing, preliminary development or the settlement of compensation claims and properly chargeable to loan may be included with the expenditure on such acquisitions, etc.

SERVICES OF THE VALUATION OFFICE

18.—(1) The Regulations require that approved expenditure in respect of compensation in connection with the acquisition or appropriation of any interest in land, or in respect of any claim for compensation other than for compulsory acquisition of land shall not include any sum in excess of the amount certified by the Valuation Office as properly payable in connection with that acquisition or claim, and that the value of land for the purposes of appropriation or disposal shall be taken to be not less than the value certified by the Valuation Office for that purpose. This does not

apply to compensation consisting of reimbursement of cost of works carried out in compliance with an order, e.g. Section 27 (2) of the Act.

(2) Whilst it is not a condition of grant that the negotiations for the acquisition of land or for the settlement of compensation should be undertaken by the District Valuer, his services for such negotiations will be available to local authorities on request.

(3) Where it is proposed that the negotiations for acquisition of land should not be carried out by the District Valuer, the local authority will find it advantageous to obtain from him an estimate of the cost of acquisition or compensation and to consult him informally and keep him informed of the progress of the negotiations, particularly as to any circumstances which might affect the amount of the certificate either in an upward or downward direction. They should not in any case, without previous reference to the Ministry, enter into any agreement which, if confirmed, would bind them to pay an amount exceeding the District Valuer's recommendation, or would impose upon them onerous conditions which have not been taken into account by him.

(4) The District Valuer's report should accompany every estimate which is required to be sent to the Ministry. In other cases the reports should be retained and made available to the District Auditor on request.

GRANT CLAIMS

19. Applications for grant or for advances of grant should be addressed directly to the Ministry's Headquarters in London (or Cardiff in the case of Wales and Monmouthshire) on forms which will be supplied on request. Advances of grant will, on request, be made in October and March of an amount equal to 95 per cent of the grant estimated to be payable for six or twelve months as the case may be. The final claim for the financial year should be submitted as soon as possible after the 31st March and advances will be made up to 95 per cent of the grant estimated to be payable for the year. The balance of grant due will be paid as soon as possible after the claim has been audited by the District Auditor.

LOAN SANCTION AND APPROVAL OF WORKS

20. Loans to meet expenditure of all kinds approved for the purposes of grant under the provisions of this Memorandum will be sanctioned for a period of 60 years. The authorisation of an acquisition, confirmation of an order, e.g., under Section 26, or approval of specific proposals for the purposes of grant, may be taken as indicating that a loan sanction for expenditure reasonably incurred in connection therewith will be given. Loan sanction may be applied for in respect of the individual project, or a block loan sanction may be sought for the amount of an approved programme or of so much of an approved programme as is expected to be required for the financial year, as outlined in Ministry of Health Circular No. 47/50.

21.—(1) Where approval for grant purposes has been given for the acquisition, clearing and preliminary development of land under the foregoing provisions of this Memorandum, works of clearing and preliminary development may, subject to the following provisions of this paragraph and any special requirements of the Minister, be undertaken without further reference

to him. If, however, for any purposes other than grant under these provisions, the authorisation of the Minister or any other Department is required, it should be obtained in the ordinary way and the Minister advised accordingly.

(2) (a) Clearing or preliminary development estimated to cost not more than £500 (or such higher sum as may be agreed) may be undertaken by the authority's own works department without securing competitive tenders on condition that the method of ascertainment of the cost chargeable for grant purposes is not less favourable than that adopted for services not eligible for grant and that no profit charge is made.

(b) Clearing or preliminary development which is to be undertaken by contract should be the subject of tenders, which should be invited by public advertisement if the cost is estimated to exceed £500 (or any higher figure approved).

(c) If the tender it is proposed to accept exceeds the estimated cost, or the appropriate proportion thereof, by 10 per cent or more, or is other than the lowest, the prior approval of the Minister should be obtained.

(d) The prior approval of the Minister should in any event be obtained before accepting a tender for clearing or preliminary development which will cost more than £5,000.

22. Application for consent to the disposal or appropriation of land should be submitted through the Regional Office of the Ministry in accordance with the normal rules.

Transitional Arrangements

PLANNING CASES (I.E. OTHER THAN PUBLIC OPEN SPACE)

23. The new scheme provides for the continuance of grant on the basis of the old scheme in cases of compensation under Part III or Part VIII and cases of acquisition with an entitlement to grant under Section 94, where grant has become payable in respect of a period prior to 1st April, 1955, i.e. where compensation has been paid or acquisition and clearing completed before that date.

24. In certain cases with an entitlement under Section 93 in which compulsory purchase orders were confirmed prior to 26th February, 1954, in respect of areas of extensive war damage, a rate of grant of 90 per cent may be payable for not more than 8 years. These must, therefore, be distinguished and are dealt with in paragraph 30 below.

25.—(1) In all cases other than those referred to in paragraph 23, all the provisions of the new scheme will come into operation with effect from 1st April, 1955, subject to the provisions of paragraph 30 and to the modification that where, in the case of acquisitions with a previous entitlement under Section 94 and in which grant is first payable from 1st April, 1955, expenditure was incurred prior to that date, the period for which grant in respect of that expenditure will be payable will run from that date instead of from the date on which the expenditure was incurred.

(2) Expenditure incurred under the old scheme will continue to attract grant under the new but certain adjustments of expenditure incurred prior to 1st April, 1955, are required and can be made once for all at the outset of the new scheme:—

(a) After 1st April, 1955, credits in respect of new values will be based on the full value of the land with the benefit of preliminary development, the cost of which will, from that date, rank for grant. Expenditure on

such preliminary development incurred before 1st April, 1955, which benefits land still in the grant account at that date, should therefore be brought into the account at that date.

(b) In the new scheme account will be taken of rents receivable for land let for temporary use or disposed of subject to a building agreement, but a capital credit will not be taken until the normal full rent is payable under the lease. Where capital credits have been taken for such land prior to 1st April, 1955, but the normal full rent is not payable by that date, that credit must therefore be reversed.

(c) Having regard to the abolition of the old basis of an interim valuation, pending review after twelve years, of land for commercial and industrial development, the interim valuations of any such land must be reviewed forthwith.

26. The adjustments to be made for the purposes of paragraph 25 are as follows:—

(1) The total expenditure up to and including 31st March, 1955, should be adjusted to include all expenditure on preliminary development incurred up to that date which would have been eligible for grant under the new scheme had it been in force when the expenditure was incurred, but not including such expenditure apportioned or apportionable to land appropriated to other services before 1st April, 1955, on the basis applicable under the old scheme. The reason for this exclusion is to avoid adjustments in transactions already made and affecting the formal accounts of the authority. A statement should be prepared of the additional expenditure ranking for grant under this paragraph, with brief particulars of the preliminary development concerned, its total estimated cost, the yearly totals of expenditure incurred up to 31st March, 1955, and the amounts apportioned to other services.

(2) The total credits as at 1st April, 1955, should be reduced by excluding therefrom the credits previously made in respect of

- (a) land let for temporary use pending redevelopment,
- (b) land for industrial or commercial development for which the normal full rent was not payable by that date,
- (c) land credited at the expiry of the initial grant period for which a normal full rent was not payable by that date.

(3) A revaluation should be made in respect of land leased for industrial or commercial development where the normal full rent has become payable, on the basis of its value as at that date, subject to the terms of the lease and inclusive of the benefit of preliminary development (for which there is a contra under sub-paragraph (1)) but on the assumption that up to the end of the twelfth year the rent reserved by the lease is reduced to the amount of the average rent taken for the purposes of the original valuation.

A statement should be prepared of the credits comprised in (2) and of the old and new values of land comprised in (3). The District Valuer will furnish certificates of the revised values for the purposes of (3) above on request. The properties comprised in (2) will, of course, be dealt with in due course under paragraph 6 (1) and any rent or income receivable in the meantime will be taken into account under paragraph 6 (2).

27. The statements to be prepared under paragraph 26 will be required for the purposes of grant claims for the year 1955-56, but in order not to delay grant claims for that year local authorities may find it advantageous to prepare them and refer them to the Ministry for examination as early as possible and in advance of the grant claims for 1955-56.

28. Although future loans for all classes of expenditure attracting grant under this Memorandum will ordinarily be granted for 60 years, the notional loan charges for grant purposes on expenditure met from loans previously raised for shorter periods will be assessed on the basis of those periods. Such expenditure will have to be segregated for this purpose.

29. In the case of Section 19 acquisitions not yet incorporated in redevelopment units or separately disposed of, a separate grant unit may already have been started for the purposes of the interim grants under the Town and Country Planning (Grants) Amendment Regulations, 1954. This may continue without change under the new scheme (see paragraph 2 (4)) except that from 1st April, 1955, there may be included in it expenditure on the cost of acquisition, and clearing, if appropriate, of land acquired under Section 19 which attracts grant under the new scheme that did not qualify under the interim provisions.

30. The current rate of 90 per cent for the initial period of from five to eight years will be continued in certain cases, viz. areas comprised in compulsory purchase orders confirmed or for which consent to acquire by agreement was given prior to 26th February, 1954, for the acquisition of land for the comprehensive redevelopment of an area of extensive war damage. In these cases grant will be paid at the rate of 90 per cent for five years from the date it originally commenced subject to an extension of up to three years if it is shown that the "dead" period has been unduly prolonged for reasons beyond the control of the local authority. For the financial year in which the 90 per cent period ends, the expenditure attracting grant will be calculated normally by reference to the figures at 31st March in that year and 90 per cent paid in respect of the appropriate proportion of the year. These cases must remain separate grant units while the special rate continues; thereafter a regrouping or amalgamation of units may be effected if convenient.

PUBLIC OPEN SPACE ACQUISITIONS

31.—(1) The new scheme will not affect appropriations for public open space purposes, whether of land held for redevelopment or other purposes, which have been made before 1st April, 1955.

(2) In the case of acquisitions for public open space purposes with an entitlement to grant under Section 94 in which grant has become payable for a period prior to 1st April, 1955, grant will continue to be paid at the rate appropriate under the old scheme and on the already ascertained loss.

(3) Where expenditure in other cases with a prior entitlement under Section 94 has been incurred prior to 1st April, 1955, it should be adjusted as provided for in paragraph 26 (1) and will be treated for grant purposes as if it had been incurred on 1st April, 1955, and grant will be payable in respect thereof in accordance with the provisions of paragraph 16 but the rate of grant will be the rate that would have been appropriate under the old scheme as if the expenditure had been incurred in respect of a compulsory purchase order confirmed in the year ending 31st March, 1955.

APPENDIX A.

TOWN AND COUNTRY PLANNING ACT, 1947.

Estimate of the cost of redevelopment for purposes of grant under Section 93

Name of local authority.....

Identity and acreage of redevelopment area.....

Estimated cost of acquisition and clearing

1. Acquisition

	£	£
(a) compensation for the acquisition of land, other than operational land of statutory undertakers ...	...	...
(b) compensation for disturbance in respect of (a) ...	...
(c) compensation for acquisition of operational land of statutory undertakers ... ... ... ...	...	...
(d) miscellaneous expenses of acquisition ... ...	...	...
(e) land already acquired under Section 19, etc., at cost including miscellaneous expenses ... ...	...	...

Total acreage and cost of acquisitions acres

2. Appropriations

(a) land to which Section 82 applies ...	...	...
(b) other land ... ... ...	...	...

Total acreage and value of appropriations acres ...

3. Clearing and preliminary development

(a) clearing ... ... ... ...	...	...
(b) preliminary development roads and sewers:		
(i) under S. 20 of 1944 Act ... ...	...	...
(ii) under other powers ... ...	...	...

(c) other preliminary development ...	...	...
Total ... ... ...	...	...

4. Total acreage and costs acres ... £

Estimated acreage and value of land including standing buildings not being demolished, for new uses after redevelopment.

5. Land for sale to—

(a) other local authorities	...	...	...	...	...
(b) statutory undertakers	...	...	...	...	...
(c) government departments	...	...	...	...	...
(d) Total sales	...	...	...	...	...

6. Land for appropriation for other services of the authority

(a) housing	...	...	...	...	...	...
(b) education	...	...	...	...	...	...
(c) (i) classified roads	...	...	...	...	...	...
(ii) other highways	...	...	...	...	...	...
(d) public open space	...	...	...	...	...	...
(e) other services	...	...	...	...	...	...
(f) Total appropriations	...	...	...	...	...	...

7. Land for development by private developers

(a) shopping and commercial	...	...	...	...	...	...
(b) industrial	...	...	...	...	...	...
(c) housing	...	...	...	...	...	...
(d) other	...	...	...	...	...	...
(e) Total	...	...	...	...	...	...

8. Total acreage and value of land acres £

9. (a) Estimated capital loss/gain on completion of redevelopment	...	...	...	...	...	£
(b) Percentage of (a) to the total cost of acquisition, clearing and preliminary development	...	...	...	...	...	per cent.
(c) Annual equivalent of capital loss/gain on 60 year basis	...	...	...	...	...	£ p.a.
(d) Product of 1d. rate	...	...	...	...	...	£

Notes

1. The District Valuer, on application supported with the necessary plans and information about the redevelopment proposals, will furnish a report of the estimated total cost of the acquisition, appropriation and disposal value of the land in the redevelopment area. The local authority should prepare its own estimates of the cost of clearing, preliminary development, and other expenditure not included in the District Valuer's report, giving brief particulars of the works and, in the case of preliminary development, the powers under which they are to be carried out. The District Valuer's report and the estimates should accompany the statement. Plans showing the area as it is and as it will be after redevelopment, and a brief report of the stages in which the redevelopment is to be undertaken and the time it is expected each stage will take, should also be furnished at the same time.

APPENDIX B

Items which may be included in the cost of acquisition

1. Cost of acquiring any interest in land, including any compensation payable in respect of severance or other injurious affection and disturbance.
2. Cost of redemption of Tithe and Land Tax.
3. Compensation payable in respect of restrictions imposed under Sections 77-85 of the Railway Clauses (Consolidation) Act, 1845, in respect of minerals excepted from the purchase of the land (Part II of the Second Schedule to the Acquisition of Land (Authorisation Procedure) Act, 1946).
4. Compensation payable under any of the provisions of Sections 22, 23, 24 and 25 of the 1944 Act relating to interference with or extinguishment of rights or easements affecting the land acquired.
5. Contributions under Section 19 of the Licensing Act, 1953, in respect of the refusal to renew old on-licences.
6. Payments in respect of "well maintained" houses under paragraph 9 (4) of the Fifth Schedule to the 1944 Act.
7. The whole or part of any sums paid by the local authority in connection with any restriction previously imposed on the development or use of the land, provided that no grant or contribution in respect of the compensation has been paid (or is payable) by any Government Department.
8. Legal and professional expenses properly payable by the acquiring authority in connection with the acquisition or compensation.
9. Interest on compensation, as prescribed by Section 57 (2) of the Act, payable where the acquiring body enters on land before payment of compensation (Part I of the Second Schedule to the Acquisition of Land (Authorisation Procedure) Act, 1946, the Sixth Schedule of the 1944 Act, paragraph 3 (4)).
10. Stamp duty and land registry fees payable by the acquiring authority in connection with the acquisition.

Note

The District Valuer's estimate (paragraph 18 of the memorandum) will include items 1 to 5, and the local authority will be required to furnish the estimates for items 6 to 10.

APPENDIX C

Clearing

Expenditure of the kinds set out below which, in the opinion of the Minister, is requisite for making the land available for redevelopment under the provisions of the Act may be included under the heading of "clearing".

1. Expenses in connection with the removal or abandonment by the Postmaster-General of telegraphic lines in connection with the extinguishment of highways (Section 23 of the 1944 Act), or expense incurred by a local authority in removing such lines if abandoned.
2. Expenses in connection with the removal of remains from burial grounds (Section 28 (5) of the 1944 Act).

3. Expenses in connection with the provision of alternative housing accommodation (other than houses in respect of which housing subsidy is payable) in connection with displacements (Section 30 (1) of the 1944 Act).

4. Allowances for removal expenses, disturbance, etc., in connection with displacements from an area which is to be redeveloped as a whole (Section 30 (5) of the 1944 Act) provided that where the allowances exceed £100 in any individual case grant will be payable only on the amount certified by the District Valuer as reasonable.

5. Expenses in the demolition and removal of buildings and erections (including the cost of making good adjoining buildings and protective works necessitated by the clearing) and the removal of unwanted material, and the levelling, grading or contouring of the land including the removal of spoil banks or waste.

6. Expenses of filling in basements to ground level.

7. Expenses of the disconnection and removal by the local authority of sewers or service mains which are no longer required.

In the case of derelict land, the cost of "clearing" may include other special operations as may be approved by the Minister in any particular case.

The value of any apparatus or other materials removed during the course of clearing should be offset against the cost of clearing.

APPENDIX D

Preliminary Development

Expenditure on works of the kinds set out below which, in the opinion of the Minister, are requisite for the preparation of the land for the development proposed or are comprised in the initial stages of that development, may be included under the heading of "preliminary development".

1. Expenses incurred in carrying out work for the filling in of excavations or the stabilisation of subsidence areas.

2. Expenses incurred in carrying out works for the drainage of the land, the culverting or other control of streams or ditches, other than works which are the responsibility of a drainage authority or river board, or the reimbursement of expenditure incurred by such an authority or board in carrying out such works on behalf of the local authority.

3. Expenditure incurred in the construction or improvement of estate roads or sewers, whether carried out under the powers of Section 20 of the 1944 Act or under highway or public health powers, other than such works in connection with local authority subsidy housing development.

4. The diversion of sewers and service mains where this is essential for the carrying on of the service concerned and the existing sewers or service mains cannot, because of the redevelopment, continue in their existing situation.

5. Expenditure on street lighting in new roads or in the improvement of existing roads, but excluding, in the case of classified roads for which a higher standard of lighting is required, expenditure in excess of the cost of normal lighting standards for unclassified roads.

In the case of derelict land, expenditure on "preliminary development" may include other special operations as may be approved by the Minister in each case.

A P P E N D I X E

Valuation of land for appropriation, transfer or disposal

1. Subject to the general provisions of the Memorandum the appropriation, transfer and disposal of land will take place on the bases set out below.

(a) Land for highways—

(i) trunk roads and classified roads—at the price at which the land was acquired excluding compensation for severance or injurious affection, disturbance and legal and other expenses; where the land forms part only of a hereditament, the amount will be the proportion by area of the price of the whole hereditament;

(ii) other roads—at nil value.

(b) Land for public open space—at the value assessed in accordance with paragraph 16 (4) (a), but any buildings on the land, together with the curtilage and rights of access, will be valued by reference to the appropriate rule below according to the use to which the buildings are to be put.

(c) Land for housing or educational purposes (including school playing fields)—at the value of that land for residential purposes.

(d) Land for municipal offices, depots and car parks—at the value of that land for a comparable commercial use.

(e) Land for public buildings and works, e.g., library, museum, sewage works or dust destructor—at the value of that land for the use that will prevail under the redevelopment proposals for contiguous or adjacent land.

(f) Land for use as allotments—at the value of that land for agriculture use.

(g) Land for industrial or commercial development—at the value of that land for that class of development or use.

(h) Land for operational purposes of statutory undertakings and for government offices, depots or other buildings—at the value of that land for comparable industrial or commercial use or, if there is none, for the use that will prevail under the redevelopment proposals for contiguous or adjacent land.

2. Land will be valued in all cases (c) to (h) at its market value for the proposed or notional use, as the case may be, with the benefit of new and existing roads and sewers to be constructed or retained in or adjacent to the redevelopment area, except in the case of land for local authority housing purposes which, if the roads and sewers are to be constructed under housing powers will be valued without the benefit of roads and sewers to be so constructed.

3. Where land includes a building which is the subject of a building preservation order or which is to be preserved as of special architectural or historic interest, the land should be valued in accordance with the foregoing rules as if the building or any part thereof which is subject to such an order or is of special interest, were subject to a covenant requiring its preservation.

4. In the case of land for development or uses not provided for above, or if the presence of buildings on land to be valued under paragraph 1 (e) above makes valuation on that basis unreasonable, particulars should be submitted to the Minister who will determine the basis of valuation to be adopted.

APPENDIX F

Compensation, etc. (other than in respect of compulsory acquisition)

Expenditure of the kinds set out below may be included under the heading of compensation (items 1 and 2 or taking action under Sections 24, 25 and 26 of the Act (items 3 to 5).

1. Compensation payable under any provision in Part III or Part VIII of the Act.

2. Legal and professional expenses properly payable by the local authority in connection with the settlement of the compensation claim.

3. Reasonable expenditure incurred by a local planning authority in the payment for or execution of works for the removal or alteration of works or buildings carried out in default of the person required to undertake them in accordance with (a) an order made under Section 26, or (b) a notice given under Section 24 or under Section 24 as applied by any of the provisions of Part III, being, in the case of expenditure referred to in (b), expenditure which the local authority has satisfied the Minister cannot reasonably be recovered from the person or persons liable under the notice.

4. Expenditure incurred in connection with the provision of residential accommodation, other than houses in respect of which housing subsidy is payable, for persons displaced as a result of the requirements of an order under Section 26.

5. Expenditure incurred under an agreement made under Section 25 being expenditure which, in the opinion of the Minister, is the equivalent of compensation or expenditure that would otherwise be eligible for grant under any of the above heads.